AGRICULTURE APPROPRIATIONS/Livestock Price Disclosure

SUBJECT: Agriculture, Rural Development, and Related Agencies Appropriations Bill for fiscal year 1999 . . . S. 2159. Cochran motion to table the Kerrey/Burns amendment No. 3161.

ACTION: MOTION TO TABLE FAILED, 49-49

SYNOPSIS: As reported, S. 2159, the Agriculture, Rural Development, and Related Agencies Appropriations Bill for fiscal year 1999, will provide \$56.813 billion in new budget authority, which is \$7.060 billion more than provided last year. The increase is primarily due to increased Commodity Credit Corporation mandatory payments.

The Kerrey/Burns amendment would create a 3-year pilot program under which purchasers, sellers, and marketers of livestock, livestock products, meat, or meat products in an unmanufactured form would be required to report to the Secretary of Agriculture such information on the prices and the terms of their transactions as requested by the Secretary, and the Secretary would publish those terms without revealing proprietary business information or the identities of the parties to the transactions. The Department of Agriculture would be permitted to issue regulations barring practices relating to livestock, meat, or meat product sales that it determined were noncompetitive. A panel would be created for hearing complaints by livestock producers of illegal retaliation by meat packers, and would be allowed to award up to 3 times the amount of damages sustained by violations. Finally, the amendment would require the Department of Agriculture to study: the extent to which Federal lending practices and policies have contributed, or are contributing, to market concentration in the livestock and dairy sectors; and whether Federal policies regarding the financial system of the United States adequately take account of the weather and price volatility risks inherent in livestock and dairy enterprises.

During debate, Senator Cochran moved to table the amendment. A motion to table is not debatable; however, some debate preceded the making of the motion. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

NOTE: After the vote, the amendment was adopted by voice vote.

(See other side)

YEAS (49)			NAYS (49)			NOT VOTING (2)	
Republicans Democrats (47 or 85%) (2 or 5%)		Republicans	Democrats		Republicans	Democrats	
		(2 or 5%)	(8 or 15%)	(41 or 95%)		(0)	(2)
Abraham Allard Ashcroft Bennett Bond Brownback Campbell Chafee Coats Cochran Collins Coverdell Craig D'Amato DeWine Domenici Faircloth Frist Gorton Gramm Gregg Hatch Helms Hutchinson	Hutchison Inhofe Jeffords Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Roberts Roth Sessions Shelby Smith, Bob Smith, Gordon Snowe Specter Thompson Thurmond Warner	Breaux Graham	Burns Enzi Grams Grassley Hagel Santorum Stevens Thomas	Akaka Baucus Biden Boxer Bryan Bumpers Byrd Cleland Conrad Daschle Dodd Dorgan Durbin Feingold Feinstein Ford Harkin Hollings Inouye Johnson Kennedy	Kerrey Kerry Kohl Landrieu Lautenberg Leahy Levin Lieberman Mikulski Moseley-Braun Moynihan Murray Reed Reid Robb Rockefeller Sarbanes Torricelli Wellstone Wyden	EXPLANAT 1—Official F 2—Necessari 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	ly Absent nced Yea nced Nay Yea

VOTE NO. 205 JULY 15, 1998

Those favoring the motion to table contended:

We support the goal of this amendment but not the method. Under current practices, most prices are already reported voluntarily to the United States Department of Agriculture (USDA), which publishes the data. On the boxed beef side, three-quarters of all terms of sales are reported, and on the live cattle side two-thirds of all negotiated terms are reported. Would we like there to be total transparency? Of course--free markets operate more efficiently and effectively whenever more data is available. Ranchers would be less likely to take unfair prices based on an inaccurate understanding of the prevailing fair prices. However, we do not believe that it would be helpful to create a new mandatory scheme to get additional information. Once we made reporting mandatory, regulatory and paperwork burdens would inevitably result, then people would devise legal ways to get around those reporting requirements when they wanted to keep information secret, then the regulatory and paperwork burdens would be increased in an effort to stop that evasion, and so on and so on. We are not the only ones who have this opinion--the National Cattlemen's Beef Association, which represents the rank and file ranchers whom our colleagues say they want to help, has written to us in opposition to the amendment. Our colleagues tell us that President Clinton and the bureaucrats at the Department of Agriculture support their amendment. We do not doubt that they think that the way to help America's ranchers is with new Federal regulations, but we know that the ranchers themselves disagree. We disagree as well, and thus support the motion to table this amendment.

Those opposing the motion to table contended:

The Kerrey/Burns amendment has been offered to help small ranching operations. In the past, ranching operations operated with a high degree of transparency. In recent years, however, the meat packing industry has consolidated, and with that consolidation has come price secrecy. Just three packers control between 80 percent and 85 percent of the market. Those packers are not giving enough information on the prices that they pay. Also, the amount of vertical market integration is rapidly increasing, and in such situations there is no price reporting. Smaller ranching operations are having a hard time getting a fair price for their livestock because they have inadequate pricing information. Partially as a result we have the largest ever disparity between the price that cattlemen get when they sell their cattle and the price of beef in the supermarket. Livestock producers are in as much trouble as other farmers across the country, and thousands of them will go broke very soon if we do not enact reforms. The Kerrey/Burns amendment would enact one reform that would not try to give any special advantage, for small, family ranchers, but instead would just try to level the playing field a little by requiring price reporting. This 3-year pilot program is supported by ranchers, it is supported by the President, and it is supported by the Department of Agriculture. We urge our colleagues to support it as well.